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March 2, 2005

Marta E. Vilá-Baez, Esq.
Sanchez, Betances & Sifre, P.S.C
PO Box 195055
San Juan, P.R., 00919

RE: *José M. Lorie Velasco, et al v.*
K-Mart Corporation, et al,
Civil No. 98-1867 (PG)

Via telecopier: (787) 753-6580

Dear colleague:

I am in receipt of your March 2, 2005, letter concerning the status of the execution of the settlement and release agreement.

As you know, on February 11, 2005, we held a telephone conference wherein plaintiff José Lorié-Velasco and I, through the speaker phone, discussed the settlement and release agreement with you. At the time, Mr. Lorié-Velasco manifested that he agreed with the terms and conditions set forth in the agreement. The only change requested by me was that the agreement be prepared for the signatures of plaintiffs Lorié-Velasco, Heidi Berrios and Rolando Santiago-Berrios, instead of mine.

Further to our telephone conference, you sent me the settlement agreement with the requested change regarding the signatures.

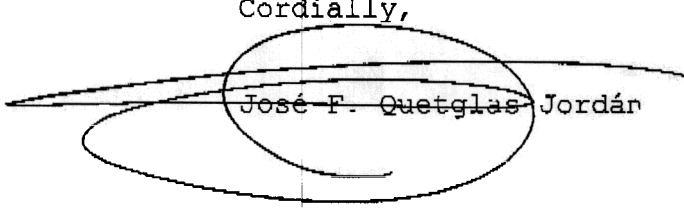
On February 22, 2005, plaintiffs Heidi Berrios and Rolando Santiago-Berrios executed the settlement and release agreement. On that date, therefore, the case was settled.

That same day, I advised Mr. Lorié-Velasco that the other co-plaintiffs of legal age had signed the agreement and that he had to come by our offices to sign it. I also reminded him that the Court had granted the parties until February 25, 2005, to file the agreement. He said that he would sign either on the 23rd or 24th of February.

By the afternoon of February 24 Mr. Lorié-Velasco had not appear at, or called our offices. Since then we have left multiple messages on his answering machine but he has not return our calls.

This is all the information I have on this matter at the moment. As soon as I hear from Mr. Lorié-Velasco, I would let you know.

Cordially,



José F. Quetglas Jordán